

Message Text

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PAGE 01 MTN GE 08880 261245Z

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ACTION STR-04

INFO OCT-01 EUR-12 IO-10 ISO-00 SSO-00 NSCE-00 INRE-00

USIE-00 STRE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 TAR-01 TRSE-00

PRS-01 SP-02 FEAE-00 OMB-01 OIC-02 AF-06 ARA-06 EA-07

NEA-10 /127 W

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O P 261202Z NOV 75

FM USDEL MTN GENEVA

TO SECSTATE WASHDC IMMEDIATE 829

INFO USMISSION EC BRUSSELS IMMEDIATE

AMEMBASSY PARIS PRIORITY

LIMITED OFFICIAL USE MTN GENEVA 8880

PASS STR FOR ACTION

PASS AGRICULTURE

CALL HEFFERAN AT 395-3150 OR STARKEY AT 395-6166 FOR IMMEDIATE

PICKUP FOR AMBASSADOR DENT

E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJECT: ACTION REQUEST ON AGRICULTURAL IMPASSE

REF: MTN GENEVA 8727

1. LUYTEN JUST CALLED TO REPORT GUNDELACH HAD MET WITH FRENCH YESTERDAY IN BRUSSELS BUT THAT NO MOVEMENT IN RESOLVING IMPASSE HAD RESULTED. THE COREPER IS TO TAKE UP THE MATTER AGAIN THURSDAY, NOVEMBER 27.

2. HIJZEN ASKED LUYTEN TO PUT FOLLOWING QUESTION TO U.S.

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PAGE 02 MTN GE 08880 261245Z

AND REQUESTED AN ANSWER, IF POSSIBLE, TODAY. LUYTEN SAID,

ASSUME THE FOLLOWING; THE EC ANNOUNCES IT HAS ACCEPTED THE DENT/SOAMES COMPROMISE TEXT AND THE TEXT IS CIRCULATED TO GROUP AGRICULTURE AS A GATT DOCUMENT, THE COMMUNITY MAKES A VERBAL STATEMENT IN THE MEETING SETTING FORTH THE RESERVATIONS AND INTERPRETATIONS WHICH ARE BEING URGED ON THE COMMISSION BY THE FRENCH, AND THAT STATEMENT IS SUBMITTED TO GROUP AGRICULTURE BY EC IN WRITTEN FORM TO BE CIRCULATED AS A GATT DOCUMENT. HIS QUESTION IS: WHAT WOULD THE U.S. REACTION BE TO THE SCENARIO AND WOULD WE PERMIT WORK TO GO FORWARD IN GROUP AGRICULTURE ON THIS BASIS?

3. TEXT OF STATEMENT ACCOMPANYING DENT/SOAMES WHICH EC WOULD MAKE ON ITS OWN BEHALF (BUT AT FRENCH BEHEST) BEING SENT SEPTEL. IT IS SAME IN SUBSTANCE AS REFTEL AND THUS ENTIRELY UNACCEPTABLE.

4. THE U.S. MTN DEL BELIEVES EC RESOLUTION OF THIS PHASE OF AGRICULTURAL IMPASSE WILL TURN ON U.S. RESPONSE. UNLESS U.S. MAKES CLEAR IT WILL REACT IN SHARPLY NEGATIVE WAY TO THIS SCENARIO, COMMISSION WILL BUY THE FRENCH APPROACH. ALTERNATIVELY, IF U.S. DOES REACT IN STRONGLY NEGATIVE WAY, WE BELIEVE COMMISSION FEELS IT HAS SUFFICIENT SUPPORT FROM EIGHT MEMBER STATES TO ACCEPT DENT/SOAMES DESPITE FRENCH RESERVATIONS.

5. ON THE ONE HAND, THE DENT/SOAMES TEXT IS BY NOW SO TATTERED AS HARDLY TO BE WORTH SAVING. FRENCH OBSTRUCTIONISM UNLIKELY TO ABATE AND THE HANDLING OF REPORTS ON BILATERAL CONSULTATIONS NOT ADEQUATELY RESOLVED IN TEXT FROM U.S. STANDPOINT. FURTHER, IT DOES NOT FULLY RESOLVE QRS NOR EVEN ADDRESS THE SERIOUS PROBLEMS OF HOW TO HANDLE SUBSIDIES AND TARIFFS AS THEY APPLY TO AGRICULTURE.

6. ON THE OTHER HAND, THERE IS A CLEAR NEED FOR SOME PAPERING-OVER OF THE AGRICULTURAL IMPASSE IN ORDER TO MINIMIZE THE LIKELIHOOD OF A MAJOR BLOW-UP AT TNC. WHILE THERE IS NOT MUCH LEFT OF THE DENT/SOAMES TEXT, IT MIGHT GET US BY THE DECEMBER 9 MEETING. THIS IS PARTICULARLY SO SINCE PARAGRAPHS 2 THROUGH 8 SET FORTH LIMITED OFFICIAL USE

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PAGE 03 MTN GE 08880 261245Z

A PART OF THE WORK PROGRAM WHICH WILL BE ATTRACTIVE TO LDCS AND MAY THEREBY REDUCE THE FLAK FROM THAT QUARTER.

7. RECOMMENDATION. U.S. MTN DEL RECOMMENDS THAT DEL BE AUTHORIZED TO ADVISE EC THAT U.S. WILL REACT VERY NEGATIVELY TO SCENARIO IN TERMS SET FORTH IN NEXT PARAGRAPH. WE SHOULD RECOGNIZE THAT BY TAKING THIS POSITION WE COMMIT OURSELVES (AT LEAST IMPLICITLY) TO ACCEPTING DENT/SOAMES TEXT IF IT IS

ACCEPTED BY EC. BUT U.S. BELIEVES THAT TEXT IS NOW SO DISCREDITED AS TO DO NOTHING MORE THAN GET US PAST THE DECEMBER 9 MEETING (IF IT DOES THAT) AND THAT IT WILL BREAK DOWN EARLY IN 1976. TACTICALLY, U.S. WELL POSITIONED SINCE EVERYONE KNOWS IT IS THE EC WHICH DRAGGED ITS FEET AND LATER EVENTUAL BREAK DOWN CAN ALSO BE LAID AT EC'S FEET. MOREOVER, U.S. SHOULD NOT FEEL CONSTRAINED TO INTERPRET LANGUAGE OF DENT/SOAMES TEXT IN ANY BUT THE MOST FAVORABLE WAY TO U.S. INTERESTS, RESOLVING ANY AMBIGUITIES IN OUR OWN FAVOR, SINCE WE KNOW THE EC WILL DO THE SAME AND SINCE THE COMPROMISE SEEMS DESTINED TO BE SHORTLIVED ANYWAY. INDEED, IT MAY NOT EVEN GET US THROUGH THE DECEMBER 9 MEETING SINCE THE AUSTRALIANS OR SOME OTHER COUNTRY MAY TORPEDO IT. IF THIS SHOULD HAPPEN, U.S. WELL POSITIONED TACTICALLY SINCE THE BLAME WOULD BE LAID AT SOMEONE ELSE'S FEET AND NOT OURS.

8. SPECIFICALLY, THE U.S. MTN DEL REQUESTS INSTRUCTIONS TO ADVISE EC AS FOLLOWS:

- A. THAT U.S. WOULD VIEW SUPPLEMENTAL DECLARATION TO DENT/SOAMES TEXT AS BREACH OF FAITH BY EC.
- B. THAT OUR STATEMENT WOULD BE CAST IN VERY STRONG LANGUAGE.
- C. THAT WE WOULD CONSIDER THIS ACTION BY EC - WHICH WE KNOW TO BE TAKEN AT FRENCH INITIATIVE - TO CALL INTO QUESTION THE COMMITMENTS MADE AT RAMBOUILLET BY PRESIDENT GISCARD.
- D. EVEN THOUGH U.S. WOULD NOT MAKE LATTER ACCUSATION ITSELF, INTERNATIONAL COMMUNITY WOULD CLEARLY DRAW THAT CONCLUSION AND U.S. COULD NOT VERY WELL DENY IT.
- E. EC POSITION AS PROPOSED BY LUYTEN QUESTION OFFERS NO BASIS FOR AGREEMENT ON A WORK PROGRAM FOR GROUP AGRICULTURE.
- F. THAT THE U.S. CONSIDERS THE POSITION IT TOOK AT THE LAST LIMITED OFFICIAL USE

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GROUP AGRICULTURE MEETING IS A GOOD AND USEFUL WORK PROGRAM WHICH WE WOULD STAND BEHIND AND URGE OTHERS TO AGREE UPON, THUS PUTTING THE ONUS ON THE COMMUNITY TO OBJECT.

9. THIS RECOMMENDATION DISCUSSED WITH AMBASSADOR YEUTTER BEFORE HE DEPARTED GENEVA. HE CONCURS.

10. ACTION REQUESTED: PLEASE CABLE INSTRUCTIONS ASAP. WALKER

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